

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

May 10, 2005

Jim Dykman, Cultural Resources Coordinator DCED - State History Division 300 Rio Grande Salt Lake City, Utah 84111

Subject: SHPO Clearance for Minor Coal Exploration Lease ML-48258, Energy

West Mining Inc., PacifiCorp, Deer Creek Mine, C/015/0018, Task ID

#2177, Outgoing File

Dear Mr. Dykman:

The Division of Oil, Gas and Mining is currently reviewing an exploration project for the Deer Creek Mine. The Permittee plans to core-drill four 3" diameter holes: 2005-1 through 2005-4. The plan shows that all drill holes are located within the Mill Fork Lease. The 7.5 Minute Quadrangle USGS map that covers the project area is the Rilda quadrangle; Township 16 South and Range 6 East with Sections 11, 14, and 22. The elevation of the project sites range from 9460' – 9700'. Drill hole staging sites for 2005-1 through 2005-4 in Upper Joes Valley or lower end of Mill Fork Canyon.

The project will include drilling 2005-1 through 2005-4 using a helicopter-transported drill rig in accordance with the Utah State Coal Lease ML-48258 application for the Notice of Intention of Conduct Minor Coal Exploration. The project will start on July 15 and should take no longer than 60 days to complete.

Senco-Phenix recommended that PacifiCorp obtain waivers from the USFS archeologist for the 2001 drill hole project, which is in the same area as the 2005 project. They based their recommendation on remoteness of the sites and that PacifiCorp will use helicopters to access the drill hole sites, which minimizes impact to environmental resources. Senco-Phenix also recommended that there is little likelihood that future drill hole projects in the area will impact archeological resources.

The Division requests concurrence from SHPO with our determination for the 2005 drill hole project. The Division considers that the Permittee should not conduct additional surveys or evaluations for this amendment because: Page 2 Jim Dykman May 10, 2005

- There is no proposed facilities area.
- There are no known sites included in or eligible for inclusion in the NRHP within the proposed project sites.
- There is little probability of unknown sites eligible for inclusion in the NRHP within the proposed drill hole sites.
- There is very low potential of surface effects from this project.

The Division makes the determination that the project will have "no effect" on historic resources. Final decision concerning the proposed project comes after the Division receives a response from SHPO.

The Permittee plans to start drilling on July 15, 2005. We would appreciate your response by June 11, 2005 so we may proceed with the review process. If we have not heard from your office by the set date, we will consider that SHPO concurs with the Division's findings. If you have any questions about this project, please call me at (801) 538-5268 or Jerriann Ernstsen at (801) 538-5214.

Sincerely,

Pamela Grubaugh-Littig Permit Supervisor

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cc: Price Field Office
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